

**PROPERTY ASSESSMENT APPEAL BOARD
FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER**

PAAB Docket No. 2019-077-00314R

Parcel No. 100/02248-000-000

Andrea Allison,

Appellant,

vs.

Polk County Board of Review,

Appellee.

Introduction

The appeal came on for written consideration before the Property Assessment Appeal Board (PAAB) on January 3, 2020. Andrea Allison is self-represented and asked that the appeal proceed without a hearing. Assistant Polk County Attorney Dominic Anania represents the County Board of Review.

Andrea Allison owns a residential property located at 3017 48th Place, Des Moines, Iowa. Its January 1, 2019, assessment was set at \$138,900, allocated as \$33,100 in land value and \$105,800 in building value. (Ex. A).

Allison petitioned the Board of Review contending her assessment was not equitable as compared with assessments of other like property and the property was assessed for more than the value authorized by law. Iowa Code § 441.37(1)(a)(1 & 2) (2019). The Board of Review denied the petition. (Ex. B).

Allison then appealed to PAAB re-asserting her claim that the assessment is not equitable. § 441.37(1)(a)(1).

General Principles of Assessment Law

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. PAAB is an agency and the provisions of the Administrative Procedure Act

apply. § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). PAAB may consider any grounds under Iowa Code section 441.37(1)(a) properly raised by the appellant following the provisions of section 441.37A(1)(b) and Iowa Admin. Code R. 701-126.2(2-4). New or additional evidence may be introduced. *Id.* PAAB considers the record as a whole and all of the evidence regardless of who introduced it.

§ 441.37A(3)(a); *see also Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption the assessed value is correct, but the taxpayer has the burden of proof. §§ 441.21(3); 441.37A(3)(a). The burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Compiano v. Bd. of Review of Polk Cnty.*, 771 N.W.2d 392, 396 (Iowa 2009) (citation omitted).

Findings of Fact

The subject property is a one-story home with a finished attic built in 1927. It has 907 square feet of gross living area, a full unfinished basement, a fireplace, a deck, and an open porch. The improvements are listed in above-normal condition with a 4-10 grade (average quality). There is also a one-car detached garage built in 1971, also listed in normal condition and with a 4+00 grade (average quality). (Ex. A).

Allison purchased the property in 2015 for \$130,000 but has not made any improvements since that time. (Exs. 1, A, & G)

Allison submitted three nearby properties she believes demonstrate her property is inequitably assessed. (Exs. 1-4, 5 & D-F). The following table is a summary of her comparable properties.

Comparable Properties	Year Built	Gross Living Area (SF)	Grade	Condition	Assessed Value
Subject	1927	907	4-10	Above-Normal	\$138,900
1 - 3118 56th St	1924	1106	5+10	Normal	\$128,500
2 - 2505 38th St	1927	927	5+10	Normal	\$128,200
3 - 1823 46th St	1925	893	4-05	Above-Normal	\$128,500

Allison asserts her assessment should be \$128,000 based on the total assessed value of these three properties. (Ex. 1). None of these properties recently sold and Allison did not provide an opinion of actual value of her property as of January 1, 2019.

The Board of Review acknowledged Allison's comparable properties are in close proximity and similar to her home but assert there are distinctions accounting for the differences in value. (Ex. G).

Comparables 1 and 2 have inferior grade ratings which would reduce the costs associated with their assessed values by 3%. (Exs. E-G). They also have a lower condition rating. (Exs. E-G). Additionally, the subject property has a fireplace, whereas two of the other properties do not. The subject's fireplace adds roughly \$4,438¹ in depreciated value to the total assessed value. (Exs. A, & E-F).

We also note Comparable 2 has a smaller basement than the subject property resulting in a difference in value compared to the subject, and a 5% functional obsolescence adjustment that further reduced its assessed value. (Ex. E).

Comparable 3 has the most similar grade and condition compared to the subject property, and also has a fireplace. (Ex. F). However, it has slightly less main floor living space than the subject, which is valued at a higher rate than second floor finish. It also lacks an open porch. Additionally, Comparable 3 has a smaller garage in below-normal condition with a depreciated value of \$3,170 compared to the subject's larger garage, which is also in better condition, and valued at \$5,772.

Analysis & Conclusions of Law

Allison contends the subject property is inequitably assessed as provided under Iowa Code section 441.37(1)(a)(1). Allison bears the burden of proof. § 441.21(3).

To prove inequity, a taxpayer may show an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v. Bd. of Review of the City of Davenport*, 497 N.W.2d 860, 865 (Iowa 1993). Here, we find Allison did not demonstrate the Assessor applied an assessing method in a non-uniform manner.

¹ \$4,972 replacement cost new X 0.75 physical depreciation X 1.19 neighborhood multiplier = \$4,438.

Alternatively, a taxpayer may show the property is assessed higher proportionately than other like properties using criteria set forth in *Maxwell v. Shivers*, 133 N.W.2d 709, 711 (Iowa 1965). The *Maxwell* test provides inequity exists when, after considering the actual and assessed values of similar properties, the subject property is assessed at a higher proportion of its actual value. *Id.* This is commonly done through an assessment/sales ratio analysis comparing prior year sales (2018) and current year assessments (2019) of the subject property and comparable properties. It is insufficient to simply compare the subject property's assessed value to the assessments of other properties or to compare the rate of change in assessment amongst properties.

Allison submitted three comparable properties but none have recently sold and we cannot develop the *Maxwell* ratio analysis for these properties. While Allison's selected comparables may facially have some similarities to her property, for the reasons previously discussed there are distinctions that affect the cost of the properties resulting in lower assessments compared to hers.

The *Maxwell* analysis also cannot be completed because a ratio also needs to be developed for the subject property. The subject property did not recently sell, nor did Allison offer evidence of its January 1, 2019, market value that is consistent with section 441.21.² Both a ratio for similar properties as well as the subject property is required in order to determine if the subject property is assessed at a higher proportion of its actual value than other similarly situated properties.

Viewing the record as a whole, we find Allison failed to prove the subject property's assessed value is inequitable.

Order

PAAB HEREBY AFFIRMS the Polk County Board of Review's action.

This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A (2019).

² Iowa Code section 441.21 requires that a property's assessed value be determined, first and foremost, by sales of the subject property or comparable properties.

Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action.

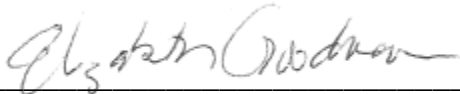
Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A.



Karen Oberman, Board Member



Dennis Loll, Board Member



Elizabeth Goodman, Board Member

Copies to:

Andrea Allison by eFile

Polk County Board of Review by eFile